

## General TERMS AND CONDITIONS

**1. TERMS.** These Terms and Conditions and the Purchase Order are the exclusive contract between the party identified as seller or vendor and the party identified as the purchaser on a Purchase Order ("Seller" and "Buyer," respectively). Upon Seller's acknowledgment of a Purchase Order, or shipment of products or commencement of work specified in any Purchase Order, Seller is bound by the Terms and Conditions. Buyer's offer to purchase from Seller is expressly limited to the Terms and Conditions. The Terms and Conditions may not be altered, amended, or waived except in a writing signed by Buyer. If any provision of Seller's quotation, confirmation, acceptance or other writings are different from or are in addition to the Terms and Conditions, the Terms and Conditions shall govern and the different or additional terms of Seller shall not be considered a part of the agreement between Seller and Buyer.

**2. PAYMENT.** Unless otherwise specified in the Terms and Conditions, payment terms are net 45 days from Buyer's receipt of Seller's invoice. Invoicing shall not occur until after shipment. Buyer has no obligation to pay any invoice received more than one year after shipment. Unless otherwise specified in the Purchase Order, all prices are in U.S. Dollars.

**3. SHIPMENT.** Seller agrees: (a) to pack, mark and ship goods in accordance with the instructions of Buyer, the involved carriers, and, if applicable, the country of destination; (b) to not charge Buyer for handling, packaging, storage or transportation unless stated as an item in the Purchase Order; (c) to provide with each shipment packing slips noting Buyer's Purchase Order and release numbers (if any) and date of shipment; (d) to mark each package with a label according to Buyer's instructions and the customs regulations of the country of import; and (e) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Buyer may withhold payment pending satisfactory proof of the absence of any liens, encumbrances and claims on the goods or services. Seller shall ship F.O.B. unless otherwise specified in the Purchase Order. Buyer and Buyer's customers have the right to inspect goods at Seller's locations.

**4. DELIVERY.** Time is of the essence as to any delivery. Deliveries shall be made both in quantities and at times as specified by Buyer in the Purchase Order or in the schedules and releases provided by Buyer to Seller. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities requested by Buyer. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract. Time is of the essence as to the delivery of goods and services specified in the Purchase Order. If delivery of Product or rendering of services is not completed by the time provided for, Buyer may, along with any other rights and remedies available under applicable law, terminate this Purchase Order or purchase substitute items or services elsewhere and charge Seller for any loss or damage incurred by Buyer.

**5. TITLE AND RISK OF LOSS.** Title and risk of loss for Products transfers to Buyer when Products are offloaded on delivery, unless Products are shipped in Buyer's vehicles in which case title and risk of loss transfers to Buyer when Buyer takes possession.

**6. WARRANTY.** Seller warrants and guarantees that the goods and services covered by the Purchase Order will conform to the specifications, drawings, samples or descriptions furnished to Seller by Buyer and will be merchantable, of good material and workmanship, and free from defect. Seller acknowledges that knowledge of Buyer's intended use of the goods specified in the Purchase Order warrants and guarantees that such goods have been selected, designed, manufactured, or assembled by

Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer. The warranty period shall be that provided by applicable law. This warranty runs to Buyer and Buyer's customer(s) and is in addition to those otherwise provided or implied by law or customarily given by Seller with respect to similar goods.

**7. TERMINATION FOR BREACH OR NONPERFORMANCE.** Buyer has the right to terminate all or any part of this contract, without liability to the Seller, if Seller repudiates or breaches any of the terms or fails to perform services or deliver goods as specified.

**8. TERMINATION FOR CONVENIENCE.** Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all goods or services which have been completed in accordance with this contract, delivered and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this contract to the extent such costs are reasonable in amount and allocable under generally accepted accounting principles to the terminated portion of this contract less the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent and the cost of any damaged or destroyed goods or material. Buyer shall not be obligated to make payments for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods which are in Seller's standard stock or which are readily marketable. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payment to Seller, directly or on account of claims by Seller's vendors, for loss of anticipated profit, overhead, product development and engineering costs, or general and administrative burden charges from termination of this contract. Within 60 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer, or its agents, shall have the right to audit and examine all books, records, facilities, work, material, inventories, and other items relating to any termination claim of Seller.

**9. REMEDIES.** In the event of nonperformance by Seller, along with all other remedies available under applicable law, Buyer may return nonconforming Product to Seller for, at Buyer's option, replacement, credit, or refund of the purchase price and be entitled to payment of all transportation costs (both ways) and other handling costs. Should any goods fail to conform to the requirements and warranties set forth herein, Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential costs and damages caused by such nonconforming goods, including, but not limited to, costs, expenses, attorney fees and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods, (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims for personal injury or property damage caused by such nonconforming goods.

**10. INDEMNITY.** Seller shall indemnify, defend and hold Buyer harmless from and against any claim, demand, action, penalty or liability (including defense or settlement costs and reasonable attorneys' fees) ("Claim") if the Claim is caused or alleged to be caused by (a) Seller's breach of any obligation to Buyer, (b) the negligence or misconduct of Seller, its employees or agents, or (c) any Product defect existing when the Product was delivered to Buyer. The parties' rights and remedies are cumulative and in addition to any other rights and remedies the parties have under applicable law.

**11. FORCE MAJEURE.** Neither party is liable for nonperformance or delay in performance caused by circumstances beyond the party's control ("Force Majeure Event"). Product or material shortages, increases in Seller's costs, events due to Supplier's negligence, or any foreseeable events are not circumstances beyond Seller's control under this provision. If there are Product shortages as a result of a Force Majeure event, Seller may reduce its supply to Buyer in a manner equitable and proportional to those reductions Seller makes to all other similarly situated distributors and major customers.

**12. BUYER'S PROPERTY.** All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller or for which Seller has been reimbursed by Buyer shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss and damage for full replacement value to Buyer's Property. Buyer's Property shall at all times be properly housed and maintained by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract, shall be deemed to be personalty, shall be conspicuously marked as property of Buyer, shall not be commingled with the property of Seller or with that of a third person, and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer's Property shall be insured at all times for its full replacement value at Seller's expense and Buyer shall be named as loss payee. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller either (i) F.O.B. Seller's plant or (ii) to any location designated by Buyer in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. To the fullest extent permitted by law, Seller waives any lien or other rights on any of Buyer's Property.

**13. GOVERNING LAW; JURISDICTION.** This contract is to be construed according to the laws of the State of Michigan and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law principles that would require application of another jurisdiction's law. Any legal between Buyer and Seller shall be brought only in state or federal court in the State of Michigan and Seller consents to personal and subject matter jurisdiction in such state.

**14. ENTIRE AGREEMENT.** The Purchase Order and these Terms and Conditions, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in either document, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this contract and supersedes all prior oral or written representations and agreements. This contract may only be modified by a purchase order issued by Buyer.